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Foreign Economic Policy Recommendations
for
Africa South of the Sahara

1. Agriculture

Most Africans depend upon agriculture for a livelihood. Small-scale subsistence farming is the general rule and the individual farmer ordinarily has no cash crop. The economies of some of these countries are vulnerable because they depend basically upon one crop for most of their foreign exchange. Increased production, involving a shift from subsistence to cash-crop farming, and diversification of crops, are of immediate importance for the economic development of the area. The prevailing system of land tenure, which does not recognize individual ownership, also discourages agricultural development in many of these countries.

Therefore, the United States should:

- a. As a matter of priority, expand its technical assistance program for agriculture in these countries with the primary purpose of increasing productivity and encouraging diversification of crops.
- b. Avoid withholding technical assistance because the crops involved are in surplus in the United States.
- c. As appropriate, encourage and stand ready to advise and assist in the modernization of land tenure systems.

2. Education

The most urgent need by far in Sub-Sahara Africa today is for increasing the facilities and raising the standards in education. More and better schools and teachers are everywhere required, and at each of the levels -- elementary, secondary and higher learning.

Therefore, the United States should:

- a. Expand its teacher training and vocational training programs in the area.
- b. Assist in the establishment of new teacher training institutions in the area.

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c. Assist the educational institutions in the area with teachers, books, visual aid media and funds.

d. Promote and assist surveys of the educational requirements of the area.

e. Encourage private American institutions and foundations to interest themselves in the fields of health, education and public administration, in Africa South of the Sahara.

f. Support the establishment of a Central African University in one of the independent countries of this part of Africa, possibly Ghana, on the order of the American University in Beirut. While funds for this project should be provided to the extent necessary by the Mutual Security Program, U. S. foundations and educational institutions should also be asked to support the project.

g. Encourage increased private support for missionary schools in the area.

3. Health

The prevalence of disease and malnutrition throughout the population of the Sub-Sahara countries reduces the effectiveness of the labor supply and thus retards economic development. This problem offers a great challenge to us, and provides many opportunities for impact projects.

Therefore, the United States should:

a. Expand its technical assistance program in the area to combat disease and malnutrition, stressing impact projects such as the elimination of the tse-tse fly.

b. Provide economic assistance for medical facilities.

c. Encourage greater private support for missionary clinics.

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4. Trade

Most of the foreign trade of the Sub-Sahara countries is presently confined to the Free World, principally Western Europe. It is to the interest of the United States that this trade continue to be thus oriented. However, since the exports of many of these countries are limited to a few commodities, and since these are often subject to wide fluctuations in price, export earnings are at times severely restricted. Furthermore, there is relatively little intra-African trade.

Therefore, the United States should:

- a. Encourage the maximum flow of trade between these countries and the Free World.
- b. Help these countries to develop additional sources of foreign exchange earnings, such as tourism and new export products.
- c. Send trade missions to these countries and participate in trade fairs held by them.
- d. Encourage these countries, as they reach their independence, to become members of GATT.
- e. Be prepared to discuss commodity problems with these countries but without involvement in international commodity agreements unless cleared at the interagency policy level.
- f. Refrain from adopting U. S. trade policy which would limit U. S. imports from these countries.
- g. Encourage, through the Development Loan Fund and other means the establishment in these countries of light manufacturing and processing industries by small and medium size firms for home use and for export.

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5. Private Foreign Investment

The economic development of Sub-Sahara Africa cannot be achieved by government-to-government assistance alone. Private enterprise is necessary to strengthen these economies, both with its capital, and with its managerial and technical skills. But sufficient private capital is not available in these countries and must be attracted from the outside.

Therefore, the United States should:

- a. Encourage these countries to create favorable climates for private investment.
- b. Encourage private American and Free World investors to increase their commitments in these countries, especially small and medium-sized enterprises.
- c. Make full use of available guaranties, tax incentives, and other means to stimulate the flow of American investment capital to these countries.
- d. Offer assistance to these countries in making surveys of private investment opportunities.

6. Economic Assistance

Substantial economic assistance from the outside is needed to help meet the development needs of the African countries south of the Sahara. While considerable economic assistance is being made available by the metropolises both directly and through other organizations, including the European Economic Community, the United Nations, and the Commission for Technical Cooperation in Africa South of the Sahara, it is unlikely that France and the United Kingdom will be able or willing to maintain a sufficient flow of public and private capital to their territories, particularly after these colonies achieve independence.

In these circumstances it would be to our interest for the countries of the Free World (including the United States) to provide additional economic and technical assistance. This could be best accomplished

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through a multilateral organization comprised of the African countries, the metropolises, and such other Western countries as are able to make a substantial contribution. This multilateral organization could operate much like the Colombo Plan organization, serving as a forum for the discussion of the development programs and needs of the African countries, and the proposals for economic and technical assistance which the donor participating countries would be ready to make available on a bilateral basis. The employment of an existing organization for this purpose would be more advantageous than establishing a new one since it would not be necessary to induce the Sub-Sahara countries to apply for membership. Such an organization is already available for the area which is known as the Commission for Technical Cooperation in Africa South of the Sahara (CCTA). It includes Great Britain, France, Belgium, and Portugal and their African territories, the Federation of Rhodesia and Nyasaland, the Union of South Africa, Ghana and Liberia. The CCTA now limits its activities to providing technical and scientific advice, but it might expand its terms of reference to include economic development and provide the mechanism for multilateral discussion of these problems. Another advantage of using this organization is that it does not include Russia.

Therefore, the United States should:

a. Promptly explore with the British and other appropriate CCTA countries means by which the United States and other Western nations may become associate members and by which the CCTA may expand its activities to include economic development programs within which bilateral and multilateral aid may be extended to African countries. If the CCTA is not found to be feasible for this purpose, the U.S. should propose the establishment of a new multilateral organization along the lines indicated above.

b. Expand U.S. economic and technical assistance programs for this area, including the dependent territories, primarily on a bilateral basis. The U.S. should, however, avoid an impression in the presently dependent areas that the U.S. is prepared to underwrite their eventual independence.

c. Urge other Free World countries to increase economic and technical assistance to the countries of this area and support the European Common Market Plan for investment in dependent African areas if, when operative, it is consistent with U.S. interests.

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7. Transportation and Communications

Lack of adequate transportation and communication facilities is handicapping the development of the interior of Sub-Saharan Africa. A network of roads in the hinterlands is essential to reduce the dependence of these countries on subsistence agriculture, increase the labor supply, expand domestic markets, and otherwise increase the rate of economic development. While a great deal has been done to provide railroads and primary roads between the main urban centers, little has been done to provide secondary roads which are of prime importance at this time. Likewise, little has been done to develop adequate communications facilities.

Therefore, the United States should:

- a. Provide technical and economic assistance for the development of roads in these countries.
- b. Provide technical assistance for the development of communications systems, particularly on a regional basis.

8. Minerals

Mineral exploration and development are in their infancy in many parts of Africa. The minerals potential of several of several countries may far exceed what is presently known.

Therefore, the United States should stand ready to provide both educational and technical assistance in mineral development.

9. Power

The United States should consider assistance only for power development projects which are economically sound and for which private capital is not available and should avoid creating expectations of U.S. support for projects for which there is no foreseeable need.

10. Tourism

Tourism can provide the Sub-Saharan countries with a growing source of foreign exchange and promote expanded international economic relationships. Tourism can also improve international understanding. The African countries are not sufficiently aware of the opportunities in this field.

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Therefore, the United States should:

- a. Stress to the local authorities of these countries the significance of this asset, and
- b. Offer technical assistance to help provide adequate facilities, remove impediments to travel, and otherwise promote tourism in the area, particularly on a regional basis.

11. Economic Discrimination

Economic discrimination against Africans retards development of technical skills so badly needed, keeps literacy and productivity at a low level, and adversely affects the rate of economic growth of the African countries.

Therefore, the United States should:

- a. Encourage the metropolises at every opportunity to provide equal employment and managerial and technical training opportunities for Africans.
- b. Persuade American companies in Africa to practice non-discrimination in their operations, except where prohibited by law, and to train Africans for managerial positions.

12. Soviet Economic Penetration

Soviet economic penetration is not yet significant in Africa south of the Sahara. The United States must not remain complacent, however, for we can be sure that the Bloc will soon turn its attention to these countries. It is extremely important that we keep this great continent and its strategic resources on our side.

Therefore, the United States should do everything possible to limit Soviet economic activities in the area which might tend to bring any of the Sub-Sahara countries within the sphere of Soviet influence.

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